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Title: Need to exempt the Local Self Government Institutions from the levy of service tax on the rent of buildings owned by them.

SHRI K. FRANCIS GEORGE (IDUKKI): The Union Budget for 2007-08 envisaged levy of service tax of 12.8% on income deriving from rental of immovable properties including buildings. In pursuance of this provision, the Central Excise Department now demands service tax from the Local Self Government Institutions in Kerala on the rent of buildings owned by them. Imposing of service tax on immovable properties, including buildings owned by the LSG institutions in Kerala would axe away a reasonable share of revenue of these bodies and thereby affect the capacity of the LSG institutions for meeting their obligatory developmental responsibilities. They have created the immovable assets by availing huge loans from institutions like HUDCO and KURDFC at high interest rates to generate income to meet its obligatory and developmental responsibilities and won't be able to repay the loans regularly, if the rental incomes are taxed.

As such, I request the Government to withdraw/exempt the Local Self Government Institutions from the levy of service tax on the rent of buildings owned by them.

MR. SPEAKER: Shri Tripathhy, you know that one hon. Member cannot raise two issues during this time. तब भी आपका नाम रिकार्ड कर दिया। हम आपको वेयरमैन बनाकर यहां बैठा देंगे।

SHRI BRAJA KISHORE TRIPATHY (PURI): Sir, they should consider the amendments proposed by the States because the States are more concerned about it. ...(*Interruptions*)

MR. SPEAKER: Nothing more to be recorded. Please cooperate with the Chair.

*(Interruptions)*â€¦*

श्रीमती किरण माहेश्वरी (उदयपुर): जो अमैन्डमैन्ट्स हमारी मुख्य मंत्री जी ने दिये हैं, क्या उन्हें इनकारपोरेट करेंगे?

MR. SPEAKER : Shrimati Kiran Maheshwari, I allowed you to speak, but see how it is being misused. I have allowed you to speak without any notice. इन्हें कोऑपरेट करने के लिए बोलिये।

â€¦(व्यवधान)

MR. SPEAKER: Nothing is being recorded.

...(*Interruptions*)

अध्यक्ष महोदय : रावत जी, यह क्या हो रहा है? यह आपको शोभा नहीं देता है।

â€¦(व्यवधान)

MR. SPEAKER: What do you want? You yourself said that it would be taken up in the Cabinet meeting today. How can you ask the Government to respond to you? This is not fair. Please sit down. I will not allow this. Please do not compel me to take any unfortunate action. आप बैठ जाइये। आपने नोटिस देने का कष्ट भी नहीं किया।

â€¦(व्यवधान)

MR. SPEAKER : Do you want it to be expunged? I will expunge it.

श्रीमती किरण माहेश्वरी : सर, हमें यूनियन गवर्नमैन्ट से जानकारी दिलाने का कष्ट करें[b26]।

* Not recorded.

MR. SPEAKER: I have invited Shri Sharanjit Singh Dhillon to speak on the Budget and he only will speak.

...(*Interruptions*)

MR SPEAKER: They have listened to you. This is not the way to make them listen. Please sit down.